

PASBO Conference Mini-Seminar Presentation - March 12, 2015

What is an Energy Performance Contract?

- The Performance Contract is a partnership between the client and an Energy Services Company (ESCO) to design customized energy conservation measures to improve facilities and reduce energy costs
- The projects typically use the energy savings to provide the funding stream for up front facility infrastructure and capital improvement projects
- The Financing is provided by a Third Party such as PNC

Major Benefits

- ESCO often provides a savings guarantee – guaranteed results
- Reduce energy consumption and related cost / enhances sustainability
- Improves comfort and physical environment
- Achieves improvements realized despite limited capital
- Often Budget Neutral – Savings from Energy Conservation Measures cover lease payments

Why Do School Districts Opt for Energy Performance Contracts?

- Manage increasing energy costs
- Improve outdated or inefficient facilities/address overdue capital improvements
- Maintain a comfortable and secure physical environment
- Commitment to green initiatives / sustainability
- ESCO can provide the engineering and technical expertise

Examples of Energy Conservation Measures

- Building Envelope/Controls
- Boilers/Chillers
- Chillers
- HVAC Systems
- Lighting
- Office Automation
- Ventilation Systems
- Building Automation Systems
- Vending
- Other customized solutions

PNC Equipment Finance has worked with many of the major and regional ESCOs

- Ameresco
- Brewer-Garrett Company
- Chevron
- Energy Systems Group
- Constellation
- Honeywell
- Johnson Controls Incorporated
- Pepco
- Siemens

Why is Lease Purchase Financing Beneficial for School Districts?

- Competitive rates – lease is fully funded at the start of the project and rate is locked in
- Flexibility to match payments to project cash flows; interest only during building time
- Project size or market conditions do not merit accessing bond market
- Ease of Implementation
- Lower Cost of Implementation

What if your District is not using an Energy Services Company and needs financing? PNC may be able to provide a financing solution

- ▶ Let us know the specifics:
 - Planned Improvements
 - Project Management Plan
 - Vendors/Contractors
 - Desired Term of Financing
- ▶ PNCEF will review and provide a financing option if your project matches our capabilities
- ▶ Terms are generally 3-10 years

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